IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND

STATE OF MARYLAND; STATE OF DELAWARE; STATE OF CALIFORNIA; STATE OF COLORADO: STATE OF ARIZONA: STATE OF CONNECTICUT; DISTRICT OF COLUMBIA, STATE OF HAWAI'I; STATE OF ILLINOIS; OFFICE OF THE GOVERNOR ex rel. Andy Beshear, in his official capacity as Governor of the COMMONWEALTH OF KENTUCKY; STATE OF MAINE; COMMONWEALTH OF MASSACHUSETTS; PEOPLE OF THE STATE OF MICHIGAN; STATE OF MINNESOTA; STATE OF NEVADA; STATE OF NEW JERSEY; STATE OF NEW MEXICO; STATE OF NEW YORK; STATE OF NORTH CAROLINA; STATE OF OREGON; JOSH SHAPIRO, in his official capacity as Governor of the COMMONWEALTH OF PENNSYLVANIA; STATE OF RHODE ISLAND; STATE OF VERMONT; STATE OF WASHINGTON; STATE OF WISCONSIN;

Civ. No. 25-cv-01363 (DLB)

Plaintiffs,

v.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE, operating as AmeriCorps; and JENNIFER BASTRESS TAHMASEBI, in her official capacity as Interim Head of the Corporation for National and Community Service;

Defendants.

PLAINTIFF STATES' MOTION FOR STATUS REPORT OR CONFERENCE

Plaintiffs, through this motion, respectfully request that the Court order Defendants to file a status report—or, alternatively, set a status conference—regarding the apparent withholding or conditioning of significant Fiscal Year (FY) 2025 funding for certain AmeriCorps programs. Plaintiffs need to better understand whether Defendants, their agents, and/or those acting in concert with them—most notably, the Office of Management and Budget (OMB)—have improperly withheld or intend to withhold such funding, which, if confirmed, would be in apparent defiance of the relief effectuated by this Court's Preliminary Injunction. Specifically, in recent weeks, AmeriCorps has failed to properly award FY 2025 funding for: (1) certain programs funded by competitive AmeriCorps State and National grants, (2) Foster Grandparent and Senior Companion programs, and (3) Commission Investment Fund (CIF) grants to State Service Commissions.

Plaintiffs have endeavored on multiple occasions to confer informally with Defendants regarding these issues. Yet Defendants declined to provide substantive answers as to why such funds are being withheld. To the extent Plaintiffs' attempted conferrals have provided any useful information, the details have been partial: For example, Defendants have stated, through counsel, that AmeriCorps *itself* is not withholding any funding, and does not intend to do so. However, Defendants explicitly conditioned many competitive AmeriCorps grants on "release of FY25 appropriated dollars." They also have delayed awards of AmeriCorps Seniors grants and CIF grants, and it is unclear whether such funds will ever be released. While Defendants' silence in conferrals may mean to suggest that another Executive Branch entity, such as OMB, is effectively circumventing this Court's Order by upending AmeriCorps programs, Defendants have refused to even assert as much.

This Court previously ordered Defendants to comply with the law requiring notice-and-comment rulemaking prior to any significant changes in AmeriCorps service delivery. ECF No.

149 at 3. Yet Defendants' refusal to explain, even via informal conferral, unquestionable changes in service delivery, makes it impossible to ascertain Defendants' compliance with the Court's Order. Defendants should be directed to demonstrate compliance with this Court's Order and explain the status of funding for the AmeriCorps programs noted above, including whether the significant changes now being made (outside of notice-and-comment) are occurring at the behest of or in concert with another Executive Branch entity, such as OMB.

Plaintiffs therefore respectfully request that the Court order Defendants to file a status report no later than July 15, 2025. The proposed order includes suggested questions, which Plaintiffs have posed repeatedly in various forms to Defendants, and which are designed to get to the bottom of these issues. Alternatively, if the Court believes a status conference would be a more efficient vehicle to gain meaningful responses to Plaintiffs' questions, the States ask that the Court set a status conference before or during the week of July 14.

This timing would serve judicial efficiency. Defendants are currently subject to a deadline to answer and/or to file a motion to dismiss on July 18. The requested information will inform whether Plaintiffs will (a) move to enforce the existing Preliminary Injunction, (b) amend the Complaint, (c) file a separate cause of action, or (d) pursue some combination of the foregoing. Accordingly, Defendants' explanation as to recent changes in AmeriCorps is needed to prevent any wasted effort by the parties and loss of judicial resources. Even more important, such information is critical to determining Defendants' compliance with this Court's Order.

BACKGROUND

Numerous AmeriCorps programs in Plaintiff States applied for AmeriCorps State and National competitive grant funding for the 2025–2026 service year. In mid-June of this year (subsequent to the Court's Preliminary Injunction), many successful applicants were informed by

AmeriCorps that their competitive grant programs were "funded pending release of FY25 appropriated dollars." *See, e.g.*, Attachment A (chart sent by AmeriCorps to Maryland's State Service Commission). For example, two Maryland programs—including Frostburg State University's ASTAR program—were "funded pending release of FY25 appropriated dollars," as were programs in California, Colorado, Connecticut, Illinois, Maine, Massachusetts, North Carolina, New York, and Wisconsin. Other programs were simply marked "funded," without the "pending release of FY25 appropriated dollars" caveat.

The "funded pending release of FY25 appropriated dollars" language appears to refer to apportionment, the process by which OMB "apportions or distributes budgeted amounts to the executive branch agencies, thereby making funds in appropriation accounts (administered by the Treasury Department) available for obligation." U.S. GAO, *Principles of Federal Appropriations Law* 2-27–2-28 & n.32 (4th ed. 2016), https://www.gao.gov/assets/2019-11/675709.pdf. This inference is consistent with recent public reporting, which indicates that OMB has begun to withhold apportionments of "billions of dollars at a wide range of U.S. agencies" as part of the administration's efforts to "refus[e] to spend congressionally mandated funds." By including the "funded pending release of FY25 appropriated dollars" language in competitive grant awards, Defendants have conditioned AmeriCorps programs on OMB's eventual "release" of Congressionally appropriated funds.

Plaintiffs and their associated programs reasonably fear that programs demarcated with the "funded pending release of FY25 appropriated dollars" caveat will not, in fact, be funded at all. Plaintiffs quickly sought clarity on this issue so that their programs could decide—before each

https://www.washingtonpost.com/business/2025/06/25/trump-budget-law-challenge/.

¹ Jeff Stein et al., *Trump administration is preparing to challenge budget law*, U.S. officials say, Wash. Post, June 25, 2025,

State's formula package was due to AmeriCorps in mid-July—whether to accept competitive grants (with the condition that the funds might not be released) or to seek inclusion within each State's formula grant (which would result in a lower amount of funding). Specifically, Plaintiffs asked Defendants' counsel whether AmeriCorps or any other entity in the Executive Branch intended to withhold FY 2025 appropriated sums from programs in Plaintiff States. Defendants responded that *AmeriCorps* did not intend to withhold FY25 funding from any programs but declined to speak on behalf of any other Executive Branch entities. Although Defendants extended the deadline for States to submit their formula packages to AmeriCorps, Plaintiff States have received no information as to whether the administration will actually fund the programs in Plaintiff States that AmeriCorps has purportedly approved.

Plaintiffs subsequently learned that multiple additional funds similarly have been withheld, delayed, and/or improperly conditioned for other AmeriCorps programs in Plaintiff States:

- 1. <u>AmeriCorps Seniors programs</u>: On June 30, 2025, funding expired for approximately 124

 Foster Grandparent and Senior Companion programs. Many of these programs are located in Plaintiff States, and several are operated directly by Plaintiff States or their instrumentalities. Although at least one such program in a Plaintiff State appears to have received a "no-cost extension" to continue operations, Plaintiffs do not know whether funding has been provided to all such approved programs.
- 2. <u>Commission Investment Fund grants</u>: Plaintiff States have not received their Fiscal Year 2025 CIF grants, which State Service Commissions use to support training and technical assistance. Although Plaintiffs were informed by AmeriCorps in March that their respective Commissions would be allocated a specific dollar amount of CIF grants, that amount has not been disbursed. At least one Plaintiff State was told by AmeriCorps that

their CIF grant would be awarded "upon release of the agency's appropriated FY25 funding."

Due to these developments—as well as additional reporting that OMB "has been preparing to refuse to spend congressionally mandated funds" by withholding funds from other agencies²—Plaintiffs explicitly asked Defendants whether OMB had released or intended to release AmeriCorps funding for competitive grant programs, Foster Grandparent and Senior Companion programs, and/or CIF grants. But Defendants declined to provide a substantive response to these questions, nor have they indicated whether they would provide such a response in the future. Defendants also confirmed that they would oppose Plaintiffs' motion for a status report or conference.

ARGUMENT

This Court previously ordered that Defendants "must COMPLY with the notice-and-comment requirement" in AmeriCorps FY 2024 and 2025 appropriations laws "before making any significant changes in service delivery, including significant changes like the mass closure of AmeriCorps programs that occurred on April 25, 2025 and the April 15, 2025 removal of NCCC members from service." ECF No. 149 at 3. Since the Court's Order, however, AmeriCorps has for the first time conditioned approvals of programs for the coming year on "release of . . . appropriated dollars," which threatens the viability of AmeriCorps programs in Plaintiff States. Moreover, AmeriCorps has simply failed to distribute funding needed by AmeriCorps Seniors Programs and State Service Commissions.

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² See, e.g., Justine McDaniel & Terell Wright, *Trump administration withholds \$7 billion from schools*, Wash. Post, July 2, 2025,

 $[\]underline{https://www.washingtonpost.com/education/2025/07/02/schools-education-trump-administration-funding-hold/}.$

Despite numerous good-faith inquiries, Plaintiffs still lack basic information that would reveal whether and why certain AmeriCorps funding is being withheld. As a result, Plaintiffs cannot tell whether Defendants, their agents, or others working in active concert or participation with them have made significant changes to AmeriCorps service delivery without notice and comment, in potential violation of this Court's Order. *See* Fed. R. Civ. P. 65(d)(2)(B)–(C). This information is also critical for Plaintiffs to determine appropriate next steps in this litigation—including whether they need to file a Motion to Enforce, an Amended Complaint, a separate cause of action, or some combination thereof—before Defendants file their anticipated motion to dismiss by July 18. Requiring Defendants to provide this information ahead of their filing their motion to dismiss would promote judicial efficiency as the parties then would have the opportunity to confer on any potential revised schedule based on a more complete set of information.

This Court has "broad discretion in using its inherent equitable powers to ensure compliance with its orders." *Nat'l L. Ctr. on Homelessness & Poverty v. U.S. Dep't of Veterans Affs.*, 842 F. Supp. 2d 127, 131 (D.D.C. 2012); *Meineke Car Care Ctrs. v. Asar Inc., LLC*, No. 3:14-CV-129-RJC, 2016 WL 1192525, at *2 (W.D.N.C. Mar. 28, 2016) (similar). Indeed, "[e]quity would not be achieved if a court decided simply to rubber-stamp an enjoined party's unsupported self-assessment of its compliance with a court order." *Nat'l L. Ctr. on Homelessness*, 842 F. Supp. 2d at 131. This Court previously directed Defendants to provide information demonstrating compliance with the Preliminary Injunction. *See* ECF No. 149 at 3 (ordering Defendants to "file a status report documenting the actions they have taken to comply with this Order"). The Court should do so again here.

At bottom, numerous AmeriCorps programs in Plaintiff States programs are once again threatened by sudden administrative actions occurring behind closed doors. Although Defendants

claim that they are complying with the Court's Order requiring notice-and-comment procedures for any significant change in AmeriCorps service delivery, multiple streams of AmeriCorps funding have been shut off or conditioned without any notice or explanation. Defendants are accordingly obligated to demonstrate their compliance with this Court's Order by explaining to Plaintiffs and this Court why and whether AmeriCorps funding is being withheld.

CONCLUSION

Plaintiffs respectfully request that the Court order Defendants to file a status report or set a hearing answering the questions set forth in the attached proposed order on the timeline detailed above.

Dated: July 8, 2025

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